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SECURITIES AND EXCHANGE COMMISSION

013153

WASHINGTON, D.C. 20549

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FORM 10-Q

E92-224A

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 1992

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

PROCESSED BY
O-9-X
MAY 22 1992

Commission File Number 0-14662

CHEMICAL DEPENDENCY HEALTHCARE, INC.

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Q-Data Corp. - St. Petersburg, FL

(Exact name of Registrant as specified in its charter)

California	94-2901715
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)

3865 Jackson Street, Fountainhead, Riverside, California 92503
(Address of principal executive offices) (Zip Code)

(714) 688-8140

(Registrant's telephone number, including area code)

Former name, former address and former fiscal year if changed since last report:

None

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No ____

Indicate the number of shares outstanding of each of the issuers classes of common stock, as of the latest practicable date:

4,516,438 Shares of Common Stock outstanding as of May 14, 1992.

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ITEM 1. FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED BALANCE SHEETS-MARCH 31, 1992 and DECEMBER 31, 1991

	March 31, 1992 (Unaudited)	December 31, 1991
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 6,000	$ 7,000
Accounts receivable, net	29,000	39,000
Total current assets	35,000	46,000
FIXED ASSETS, net	12,000	12,000
OTHER ASSETS	9,000	10,000
	$ 56,000	$ 68,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	$ 5,000	$ 6,000
Accrued expenses	66,000	66,000
Total current liabilities	71,000	72,000
SHAREHOLDERS' EQUITY:		
Convertible Series A Preferred stock, no par value, with liquidation preference of $1,600,000:		
Authorized--5,000,000 shares		
Outstanding--1,6000,000 in 1991 and 1992	1,398,000	1,398,000
Common stock, no par value:		
Authorized--10,000,000 shares		
Outstanding--4,516,438 shares in 1991 and 1992	4,973,000	4,973,000
Accumulated deficit	(6,387,000)	(6,375,000)
	(16,000)	(4,000)
	$ 56,000	$ 68,000

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE QUARTERS ENDED MARCH 31, 1992 AND 1991

	Quarter Ended March 31,	
	1992 (Unaudited)	1991 (Unaudited)
REVENUES:	$ -	$ 59,000
Provision for contractual discounts and uncollectible accounts	-	5,000
Net revenues	-	54,000
EXPENSES:		
Program Operations	-	63,000
General and Administrative	12,000	33,000
Total operating expenses	12,000	96,000
Interest Income	-	1,000
Net loss	$ (12,000)	$ (41,000)
NET LOSS PER SHARE	$ (.01)	$ (.01)
WEIGHTED AVERAGE SHARES OUTSTANDING	4,516,438	4,516,438

The accompanying notes are an integral part of these condensed consolidated financial statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS-FOR THE QUARTERS ENDED MARCH 31, 1992 AND 1991

	Three Month Period Ended March 31,	
	1992 (Unaudited)	1991 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net Loss	$ (12,000)	$ (41,000)
Adjustments to reconcile net loss to cash flows used in operating activities:		
Depreciation and Amortization	1,000	2,000
Increase in receivables	10,000	(1,000)
Increase in prepaid expenses and deposits	-	-
Increase in accounts payable and accruals	1,000	3,000
Increase in deferred income taxes	-	-
Other	-	-
Cash used in operating activities	-	37,000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Decrease in Preferred Stock distributable	-	-
Net proceeds from issuance of convertible Preferred Stock	-	-
Other, net	-	-
Cash provided by financing activities	-	-
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	-	(4,000)
Increase in other assets	(1,000)	-
Cash provided by investing activities	(1,000)	(4,000)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,000)	(41,000)
CASH AND CASH EQUIVALENTS, beginning of quarter	7,000	70,000
CASH AND CASH EQUIVALENTS, end of quarter	$ 6,000	$ 29,000

The accompanying notes are an integral part of these condensed consolidated statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Interim data has not been reported upon by independent public accountants)

1. Interim reporting practices for 1992. The accompanying financial data has been determined by consistently applying the Company's accounting policies which are in accordance with generally accepted accounting principles. The unaudited balance sheet as of March 31, 1992, and the unaudited statements of operations, and cash flows for the three and nine month periods ended March 31, 1992, and March 31, 1991, reflect, in the opinion of management, all adjustments (consisting only of normal recurring accruals) necessary to state fairly the Company's financial position and results of operations.

2. Net loss per share. The net loss per share was computed by dividing the net loss by the weighted average number of common shares outstanding during the periods.

3. Property and equipment. Property and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

4. Merger Activity. On February 8, 1990, the Company completed the acquisition of Chemical Dependency Healthcare of California, Inc. (formerly "Chemical Dependency Healthcare, Inc.) (CDH) pursuant to a merger the "Merger" of CDH with a wholly-owned subsidiary of the Company. All of the common stock of CDH was converted into 3,052,097 shares of common stock, or 49.9 percent, of the Company's outstanding voting securities (common stock and convertible preferred stock). The Merger has been accounted for under the purchase method of accounting. Each shareholder of CDH received 2.344169 shares of the Company's common stock for each share of CDH common stock. CDH is operated as a wholly-owned subsidiary of the Company. Effective February 13, 1990, the Company changed its name to "Chemical Dependency Healthcare, Inc."

   As a condition to the consummation of the Merger, certain investors acquired in a private transaction an aggregate of 1,600,000 shares of the Company's convertible preferred stock at a purchase price of $1.00 per share, for an aggregate consideration of $1,600,000. Each share of the convertible preferred stock is convertible into one share of the Company's common stock, is entitled to one vote per share and has a liquidation preference of $1.00 per share.

PART I - FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Acquisition of Chemical Dependency Healthcare, Inc. (CDH)

On February 8, 1990, the Company consummated the acquisition of CDH. (See note 4 of Notes to Financial Statements). The acquisition was accounted for using the purchase method of accounting. Accordingly, the financial statements of the Company include the results of operations and net assets of CDH only as of and after February 8, 1990.

Quarter Ended March 31, 1991

Revenues are the result of the operations of the two treatment facilities operated by CDH (Parkview and Bullhead City). The Bullhead City agreement was executed in January, 1991, and CDH commenced operations during February, 1991. Provisions for contractual discounts and uncollectible accounts were $5,000 or 8.5% of revenues. This percentage is lower than in previous quarters since a much more significant portion of the Company's revenue is contracted through fixed rate agreements. Operating expenses were $96,000 or 163% of revenue. This reflects operating costs at Bullhead City during a program start up and the general and administrative costs of operating a public company. Interest income resulted from investments of excess cash in interest bearing bank accounts. The net loss for the quarter was $41,000 or .01 cent per share.

Quarter Ended March 31, 1992

On December 31, 1991, the Company terminated its substance abuse treatment operations for economic reasons. During the quarter, management of the Company actively sought out another business to merge into the Company.

Liquidity and Capital Resources

As of March 31, 1992, the Company had cash and cash equivalents of approximately $6,000 and no outstanding debt.

Management believes that the Company's currently available cash resources along with the collection of accounts receivable are adequate to allow it during 1992 to identify and merge another corporation which has existing operations into the Company.

PART II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

a) Exhibits: None

b) Reports on Form 8-K: None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CHEMICAL DEPENDENCY HEALTHCARE, INC.

DATE: May 14, 1992

BY: _____

Vice President and
Chief Financial Officer